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{ REPORT
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MNI WICONI RURAL WATER SUPPLY PROJECT

SEPTEMBER 11, 2002.—Ordered to be printed

Mr. BINGAMAN, from the Committee on Energy and Natural Resources, submitted the following

R E P O R T

[To accompany S. 1999]

The Committee on Energy and Natural Resources, to which was referred the bill (S. 1999) to reauthorize the Mni Wiconi Rural Water Supply Project, having considered the same, reports favorably thereon with an amendment and recommends that the bill, as amended, do pass.

The amendment is as follows:

On page 2, line 4, delete “2007” and insert “2008”.

PURPOSE OF THE MEASURE

The purpose of S. 1999 is to amend the Mni Wiconi Project Act of 1988, as amended, to reauthorize the Mni Wiconi Water Supply Project in South Dakota. The bill, as ordered reported increases the project ceiling by \$58.8 million (1997 price levels) and extends the current sunset date for the authorization from 2003 to 2008.

BACKGROUND AND NEED

The Mni Wiconi Project Act of 1988 (Pub. L. No. 100–516) directed the Secretary of the Interior to construct the Mni Wiconi Rural Water Supply Project. The Project is to provide a municipal, rural, and industrial water supply to both Indian and non-Indian residents of South Dakota. As originally authorized, the Project included the Oglala Sioux Rural Water Supply System, the West River Rural Water System, and the Lyman-Jones Rural Water System. In 1994, the West River and the Lyman-Jones Systems were merged into one system, known as the West River/Lyman-Jones Rural Water System.

The Mni Wiconi Act Amendments of 1994 (Pub. L. No. 103–434, Title 8) added the Rosebud Sioux and the Lower Brule Sioux Rural

Water Systems, raised the authorized appropriation ceiling for the Project from \$87.5 to \$263.2 million, subject to cost indexing, and provided that the systems would generally be constructed in accordance with Project's Final Engineering Report, dated May 1993.

The Mni Wiconi Project includes a water treatment plant, 4,500 miles of pipeline, 60 booster pump stations, and 35 water storage reservoirs. The Project will serve an estimated 52,000 people, including more than 40,000 people on the three Indian reservations. Project beneficiaries, especially those on the Indian reservations, have among the lowest income levels in the Nation.

The Project was to be completed within 10 years. In 1994, the Mni Wiconi Project Act of 1988 was amended, and appropriations were authorized through 2003. However, annual appropriations have been insufficient to complete construction within this time frame. This legislation is needed to extend the authorization for appropriations to complete the Project. It also increases the authorized ceiling to cover expenses that were not identified until after the Final Engineering Report was released.

LEGISLATIVE HISTORY

S. 1999 was introduced by Senators Johnson and Daschle on March 7, 2002. The Subcommittee on Water and Power held a hearing on S. 1999 on June 6, 2002. At the business meeting on July 31, 2002, the Committee on Energy and Natural Resources ordered S. 1999, as amended, favorably reported.

COMMITTEE RECOMMENDATION

The Committee on Energy and Natural Resources, in open business session on July 31, 2002, by a voice vote of a quorum present, recommends that the Senate pass S. 1999, if amended, as described herein.

COMMITTEE AMENDMENTS

During the consideration of S. 1999, the Committee adopted an amendment that conforms the language of the bill to the current construction schedule for the Mni Wiconi Rural Water Supply Project by deleting "2007" and inserting "2008".

SECTION-BY-SECTION ANALYSIS

Section 1 amends the legislation to index the current authorization at 1992 price levels and provide an additional \$58.8 million based on 1997 price levels. The section also extends the authorization until 2008.

COST AND BUDGET CONSIDERATIONS

The following estimate of the cost of this measure has been provided by the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, August 9, 2002.

Hon. JEFF BINGAMAN,
Chairman, Committee on Energy and Natural Resources,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 1999, a bill to reauthorize the Mni Wiconi Rural Water Supply Project.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Julie Middleton.

Sincerely,

BARRY B. ANDERSON
(For Dan L. Crippen, Director).

Enclosure.

S. 1999—A bill to reauthorize the Mni Wiconi Rural Water Supply Project

Summary: S. 1999 would reauthorize the Mni Wiconi Rural Water Supply Project by increasing the amounts authorized to be appropriated for this project by \$58.8 million (in 1997 dollar) and extending the completion date for the project from 2003 to 2008.

Assuming appropriation of the authorized amounts, CBO estimates that implementing S. 1999 would cost about \$55 million over the 2003–2007 period. S. 1999 would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply. S. 1999 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

Estimated cost to the Federal Government: The estimated budgetary impact of S. 1999 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

	By fiscal year, in millions of dollars—				
	2003	2004	2005	2006	2007
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Estimated Authorization Level	13	14	14	14	14
Estimated Outlays	4	9	14	14	14

Basis of Estimate: For this estimate, CBO assumes that S. 1999 will be enacted by the start of fiscal year 2003 and that the necessary funds will be appropriated for each year. CBO estimates that the bill would authorize the appropriation of about \$69 million (including adjustments for anticipated inflation) to complete the construction of the Mni Wiconi Rural Water Supply Project in addition to the original authorization level of \$263 million. Of this original authorization level, approximately \$184 million has been spent on project construction costs.

Based on information from the Bureau of Reclamation, we expect that construction of the rural water supply project would take five more years and that funds will be appropriated in roughly equal installments over that period to complete construction. CBO esti-

mates that implementing S. 1999 would cost \$55 million over the 2003–2007 period and an additional \$14 million after that period.

Pay-as-you-go considerations: None.

Intergovernmental and private-sector impact: S. 1999 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

Previous CBO estimate: On August 5, 2002, CBO prepared a cost estimate for H.R. 4638, a bill to reauthorize the Mni Wiconi Rural Water Supply Project, as ordered reported by the House Committee on Resources on June 26, 2002. The two bills are identical, as are our cost estimates.

Estimate prepared by: Federal Costs: Julie Middleton; Impact on State, Local, and Tribal Governments: Marjorie Miller; and Impact on the Private Sector: Cecil McPherson.

Estimate approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

REGULATORY IMPACT EVALUATION

In compliance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee makes the following evaluation of the regulatory impact which would be incurred in carrying out S. 1999. The bill is not a regulatory measure in the sense of imposing Government-established standards or significant economic responsibilities on private individuals and businesses.

No personal information would be collected in administering the program. Therefore, there would be no impact on personal privacy.

Little, if any, additional paperwork would result from the enactment of S. 1999.

EXECUTIVE COMMUNICATIONS

The pertinent legislative report received by the Committee from the Department of the Interior setting forth Executive agency recommendation relating to S. 1999 are set forth below:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, DC, August 8, 2002.

Hon. JEFF BINGAMAN,
Chairman, Committee on Energy and Natural Resources,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: This letter responds to your request for the views of the Department of the Interior on S. 1999, concerning authorization of the Mni Wiconi Rural Water Supply Project. This confirms the testimony of Mark A. Limbaugh, Director, External & Intergovernmental Affairs, Bureau of Reclamation, before the Committee on June 6, 2002.

The Mni Wiconi Rural Water Supply Project serves the Pine Ridge, Rosebud, and Lower Brule Indian Reservations and seven counties in southwestern South Dakota. S. 1999 would increase the authorization ceiling for the Project and extend by five (5) years the time period for which appropriations are authorized. Since the Project cannot be completed unless these changes are made, the Department supports enactment of S. 1999.

The Mni Wiconi Rural Water Supply Project was authorized in 1988 (P.L. 100–516) and included the Oglala Sioux Rural Water System, the Oglala Sioux Core System, the West River Rural Water System, and the Lyman-Jones Rural Water System. The Mni Wiconi Project was expanded in 1994 (P.L. 103–434, Title VIII) to include the Rosebud Sioux and Lower Brule Sioux Rural Water Systems.

The authorizations intended construction to be completed within 10 years, and appropriations were authorized through 2003. However, annual appropriations have been insufficient to complete construction on the Project within the time-frame originally planned in the Final Engineering Report.

S. 1999 extends to the year 2008 the authorization for appropriations to complete the project. The bill also increases the authorized ceiling by \$58.8 million to cover expenses that were not identified until after the sponsors (the Oglala, Rosebud and Lower Brule Sioux Tribes and West River/Lyman-Jones Rural Water Systems) released their Final Engineering Report, plus estimated administrative costs related to the extension from 2003 to 2008.

The Administration is firmly committed to completing the Mni Wiconi Rural Water Supply Project. If S. 1999 is not enacted, the authority for appropriations will expire in 2003. Project construction would be shut down and the full benefits of the Project would not be realized. Only a portion of the Project population would be served water. If the expiration date is extended without a corresponding increase in the cost ceiling, the project would have to be redesigned to determine which features could be constructed within the available ceiling. This unfortunate prospect may be averted if S. 1999 is enacted, and we reiterate the Department's support for the bill.

The Office of Management and Budget advises that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

JOHN W. KEYS III,
Commissioner, Bureau of Reclamation.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill S. 1999, as ordered reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman).

THE MNI WICONI PROJECT ACT OF 1988

(Pub. Law No. 100–516, as amended by Pub. Law No. 103–434)

AN ACT To authorize construction of the Mni Wiconi Rural Water Supply Project,
and for other purposes

* * * * *

SEC. 10. AUTHORIZATION OF APPROPRIATIONS.

(a) PLANNING, DESIGN, AND CONSTRUCTION.—There are authorized to be appropriated \$263,241,000 (*based on October 1, 1992,*

price levels) and \$58,800,000 (based on October 1, 1997, price levels) for the planning, design, and construction of the Oglala Sioux Rural Water Supply System, the Rosebud Sioux Rural Water Supply System, the Lower Brule Sioux Rural Water Supply System, the West River Rural Water Supply System, and the Lyman-Jones Rural Water Supply System described in section 3, 3A, 3B, and 4. Such funds are authorized to be appropriated only through the end of the year ~~2003~~ 2008. The funds authorized to be appropriated by the first sentence of this section, less any amounts previously obligated for the Systems, may be increased or decreased by such amounts as may be justified by reason of ordinary fluctuations in development costs incurred after October 1, 1992 (with respect to the \$263,241,000), and October 1, 1997 (with respect to the \$58,800,000), as indicated by engineering costs indices applicable for the type of construction involved.

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